



# Department of Justice

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## **QANTAS AIRWAYS AGREES TO PLEAD GUILTY AND PAY CRIMINAL FINES FOR FIXING PRICES ON CARGO SHIPMENTS**

WASHINGTON — Australian-based Qantas Airways Limited has agreed to plead guilty and pay a \$61 million criminal fine for its role in a conspiracy to fix rates for international air cargo shipments, the Department of Justice announced today.

According to the charges filed today in the U.S. District Court for the District of Columbia, Qantas engaged in a conspiracy to eliminate competition by fixing the rates for shipments of cargo to and from the United States and elsewhere from at least January 2000 to February 2006. During the time period covered by the felony charge, Qantas was the largest carrier of cargo between the United States and Australia and earned more than \$600 million from its cargo flights to and from the United States.

Under the plea agreement, which is subject to court approval, Qantas has agreed to cooperate with the Department's ongoing investigation.

"Qantas' guilty plea sends a clear message that those who engage in price fixing and other forms of illegal collusion will pay a heavy price for their crimes," said Thomas O. Barnett, Assistant Attorney General in charge of the Department's Antitrust Division. "The shipment of consumer products by air transportation is critical to our global economy. Our investigation into this important industry will continue, and we will aggressively pursue those who engage in criminal conduct that harms American consumers."

Qantas is charged with carrying out the price-fixing conspiracy with co-conspirators by:

- Participating in meetings, conversations and communications in the United States and elsewhere to discuss the cargo rates to be charged on certain trans-Pacific routes to and from the United States;
- Agreeing, during those meetings, conversations and communications, on the cargo rates for certain trans-Pacific routes to and from the United States;
- Levying cargo rates in accordance with the agreements reached; and
- Engaging in meetings, conversations and communications to monitor and enforce the agreed-upon rates.

In August 2007, British Airways Plc and Korean Air Lines Co. Ltd. pleaded guilty and were sentenced to pay separate \$300 million criminal fines for their roles in conspiracies to fix the prices of passenger and cargo flights.

The ongoing investigation is being conducted by the Antitrust Division's National Criminal Enforcement Section and the Federal Bureau of Investigation.

Qantas is charged with price fixing in violation of the Sherman Act. A violation of the Sherman Act carries a maximum fine of \$100 million for corporations. The maximum fine may be increased to twice the gain derived from the crime or twice the loss suffered by the victims of the crime, if either of those amounts is greater than the statutory maximum fine.

Anyone with information concerning price fixing or other anticompetitive conduct in the air transportation industry is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694.

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